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DEPARTMENT FOR NEA/MAG

C O R R E C T E D C O P Y (NOFORN CAPTION ADDED)

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TAGS: [ECON](#) [ETTC](#) [PTER](#) [KTFN](#) [AG](#) [EG](#) [LY](#) [TS](#) [MO](#)  
SUBJECT: U.S. - NORTH AFRICA TARGETED ECONOMIC SANCTIONS  
WORKSHOP

REF: STATE 127231

Classified By: Economic Counselor Stuart Smith for reasons  
1.4 B and D.

11. (U) Summary. As part of the USG's effort to promote bilateral cooperation on United Nations Security Council Resolution (UNSCR) 1267 (al-Qaida/Taliban sanctions) designations, the U.S. Treasury Department co-hosted a North African workshop on Targeted Economic Sanctions in Rabat, Morocco on January 12-14, 2009. Organized with the assistance of the government of Morocco, participants also came from Egypt and Libya. Participating delegations were eager to engage with the United States on counterterrorism policies, but expressed serious concern about shortcomings in UN 1267 sanctions implementation. They argued that the 1267 list is unwieldy and expensive to implement, lacks adequate identifying information, and that consequently it is difficult for states with limited resources to "play by the rules" and submit all appropriate paperwork. They also questioned the perceived injustice of implementing "indefinitely" sanctions on individuals or entities who have not been convicted of any crime. On the margins of the workshop, U.S. delegation held extensive and productive bilateral exchanges with the national delegations. End Summary.

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The Workshop  
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12. (U) Morocco's commitment to and interest in the issue were reflected in its decision to co-host the workshop. The Moroccan Ministry of Foreign Affairs' Director of American Affairs, Fouad Yazourk, in his opening remarks outlined the GOM's strategy to combat terrorism based on a three-pronged strategy of pursuing political, educational and economic reform. He highlighted the serious and increasing threat posed by transnational terrorism in the Sahel region, specifically al-Qaeda in the Lands of the Islamic Maghreb (AQIM). In its presentations, the U.S. delegation highlighted how the UNSC 1267 regime can help Morocco and its regional neighbors address such threats, by adding an important, cross-border tool that can be used in conjunction with other traditional law enforcement anti-terrorism measures. Given that many terrorist groups in the region rely on fundraising in Europe, the delegation pointed out that their activities can be significantly circumscribed if they are designated by the UN. U.S. delegation chair Ori Lev underscored that for the UN process to be effective, the 1267 Committee needs to be

presented with designation targets supported by both sufficient evidence and identifying and biographical information. Advance coordination with other committee members, he noted, helps facilitate the designation process. (Note: Workshop presentations which provide a detailed overview of the UN 1267 process, including how the U.S. prepares its own designation requests, are available by contacting Katherine Leahy at Katherine.Leahy@do.treas.gov End Note.)

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Description of National Regimes to Counter Terrorist Financing  
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¶3. (U) At the workshop, participating delegations gave brief presentations about their governments' efforts to implement their obligations under the international targeted economic sanctions regime.

¶4. (U) The GOM opened its presentation by indicating that national efforts alone cannot counter the threat posed by terrorist finance. Underscoring its efforts to fight terrorism finance, it described the enactment of Morocco's money laundering law and its ratification of several conventions at the UN, including the UN Convention on the Suppression of Terrorism Finance. The GOM assured that its Central Bank enforces the asset freezing obligations under UNSCR 1267. The GOM noted its participation and cooperation in the MENA FATF, and described this forum as a framework of commitments on issues related to terrorism finance that need to be honored. Despite these efforts, the GOM described several circumstances that would prevent action against terrorism finance: (1) a course of action that is not in the best interest of the GOM, (2) a course of action where there is no guarantee of "due process" for the potential target for designation, and (3) a course of action agreed upon that does not relate specifically

to terrorism finance. The GOM also opined that UNSCR 1373 is a comprehensive resolution unlike UNSCR 1267, which only addresses the threat posed by UBL, AQ, and the Taliban.

¶5. (U) The GOE provided an overview of the initiatives it has taken to address the threat of terrorism finance, noting its role in drafting the UN Conventions on Counterterrorism and the establishment in 1998 of an Egyptian Committee on Counterterrorism. The GOE indicated it has an operational Financial Intelligence Unit (FIU), the Egyptian Money Laundering Combating Unit (EMLCU), for the implementation of UNSC sanctions obligations and the oversight of and analyzing suspicious financial transaction reports. The GOE's efforts include supporting the UN 1267 regime through submitting designation proposals and the sharing of information with the UNSC 1267 Committee. The GOE explained that when it receives names of concern related to terrorism finance from Egyptian Missions abroad, this information is subsequently passed to its FIU and the Ministry of Finance. The GOE emphasized its ongoing political cooperation in the fight against the financing of terrorism, its enforcement of all UN resolutions pertaining to terrorism finance, and its compliance with all the FATF standards (40 Recommendations and 9 Special Recommendations). The GOE expressed concerns that some names submitted by member states to the UNSC 1267 Committee have been translated erroneously (from Arabic to English) and attributed these errors to the lack of experience by those countries submitting designation proposals to the Committee. Egypt further noted inaccuracies in the transliteration to Arabic of names on the Consolidated List and complained that previous attempts to correct the problem had not yielded results. The problem of mistranslations became a theme of discussion. The delegation asked for the GOE's help in identifying incorrectly translated names and inaccurate Arabic-to-English name transliterations on the Consolidated List. ( Note: the Regional Treasury Attache at Embassy Cairo is following up on this request. End Note.)

¶16. (U)The GOE stated that implementing the UNSCR 1267 travel ban is difficult to enforce primarily due to advancements in the use of false passport and identification documents. The GOE expressed concern over the lengthy process to delist deceased individuals listed under UNSCR 1267 and opined that no authority has the right to deny an inheritance to a 1267-listed person's non-listed beneficiary. The GOE also expressed frustration that the 1267 Monitoring Team had "overstepped its mandate" by taking on the issue of radicalization through its participation in a working group on the subject set up in furtherance of the General Assembly's Global Counterterrorism Implementation Strategy. (Note: Member states, including the USG, have been reluctant to delist deceased individuals because their assets could pass on to beneficiaries who also support terrorism. End Note.)

¶17. (C) The GOL asserted its full level of commitment to implement international laws and utilize the required tools to combat the threat posed by terrorism finance. The GOL referenced the recent bilateral meeting on matters related to terrorism finance held in November 2008 between the GOL and the USG, led by Treasury OFAC Director Adam Szubin, as an indication of Libya's ongoing cooperation. The GOL noted that it had provided 12 names to the USG to be listed under UNSCR 1267 and followed up recently with additional information on the potential targets for designation. The GOL described efforts it has taken to combat terrorism finance including the establishment of an FIU and the enactment of an act addressing money laundering in 2005. The GOL described the regional challenges of implementing international obligations geared to the formal financial sector when it and the rest of the countries in the region are predominantly cash-based societies. The GOL argued that the freezing of assets is not a solution to preventing the flow of funds to terrorists, as financiers will always find a way around these deterrents. The GOL praised the North Africa Targeted Economic Sanctions Workshop initiative and suggested the establishment of a collective permanent task force with participation of North African governments and the USG that will engage in periodic meetings to discuss the evolving threats posed by terrorism finance and research the roots of terrorism. ( Note: The ongoing conflict in Gaza repeatedly intruded on workshop discussions as one member of the Libyan delegation used the forum to angrily condemn Israeli actions there and to argue that the Arab region is on the verge of a new surge in violence because of them. Terror finance concerns, he argued, are secondary to that situation.

End Note.)

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Issues Addressed  
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¶18. (U) Throughout the workshop, many participants discussed at length the issue raised by the GOE of incorrect AKAs and identifying information, specifically about misspellings and/or incorrect translation of Arabic naming conventions that have been included on the 1267 consolidated list. Despite not finding a solution to this problem, the group agreed that the issues of AKAs and identifiers could be a topic of discussion at a future workshop and should also be addressed at the UN 1267 Committee if possible. Additional topics of discussion included implementation of sanctions and other post-designation components, such as licensing and delisting procedures. It was agreed that these topics would also be useful to address at future workshops.

¶19. (U) Following the numerous Treasury, Justice and State Department presentations during the workshop, participants raised several questions pertaining to the differences between criminal and administrative standards and the differences between sanctions/asset freezes and criminal prosecutions and asset forfeitures. Apart from the U.S.,

most countries appear unable to take preventive counterterrorism actions since they do not have sufficient administrative processes in place. Participants were particularly interested in learning more about the USG legal authorities and processes for designations, ranging from targeting and pre-designation to post-designation and due process considerations. It was apparent to the U.S. delegation that much work remains to be done in this region to develop targeted sanctions regimes. Sustained dialogue and further cooperation is needed to work on pre-and post-designation issues and due process considerations.

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Bilateral Meetings  
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¶10. (U) On the final day of the workshop, the USG held bilateral meetings with Morocco, Egypt, and Libya.

¶11. (C) The GOM used the opportunity to provide more detailed information about its AML/CFT regime. The day of the meeting, the GOM had published an official decree establishing Morocco's FIU. Morocco explained the delay in establishing its FIU as the need to take appropriate time to account for all recommendations. In accordance with the recommendation that it have the authority to freeze assets without delay, the new FIU is administrative in nature and has the authority to freeze assets without judicial decree. However, the GOM further clarified that the administrative asset freeze is limited to three months and can be renewed only one time (total duration of six months). During the course of the asset freeze, if it is proven that the designated person supports terrorism, other, criminal provisions of the counter-terrorism law can be used to seek forfeiture of the assets. If, however, the evidence is insufficient for a criminal case, then the assets would become unfrozen.

¶12. (C) The GOM described a distinction in its law between freezing, forfeiting, and confiscating assets. The GOM also requested that "OFAC requests for information" be sent through a court as it suggested is required by the MLAT agreement of 1989. Morocco welcomed any technical assistance the USG can provide, especially with respect to its FIU, and specifically asked for information about what type of assistance is available. (Note: Treasury's Office of Technical Assistance has subsequently provided information to the GOM in this regard. See para 22 below. End Note.) The GOM explained that the FIU is still in an embryonic stage and that it will be some time before it is fully up and running.

¶13. (C) Lev raised the issue of the GOMQs outstanding submission of 32 names to the 1267 Committee, which the U.S. has a hold on, and asked that the GOM withdraw this submission.

¶14. (C) The GOE expressed a positive reaction to the workshop, commenting that more progress is achieved from state-to-state contact. Egypt asked for more insights

about how the U.S. issues licenses and specifically complained about the US Qblanket exemptionQ in the 1267 Committee and wondered if such an arrangement was available to other countries. Egyptian officials also complained about deceased persons remaining on the list. Descendants of the deceased cannot receive welfare payments if the deceased person remains on the list and Egypt commented that the U.S. is sometimes the only party who can provide information verifying the death (i.e. for Afghanistan). U.S. reps offered to work with Egypt on both delisting and licensing issues.

¶15. (C) In regards to the issue of mistranslated names, Egypt expressed frustration, citing its obligation to disseminate the list it receives even if it knows the name

is written incorrectly in Arabic. With respect to implementing names on the list, officials such as border guards cannot interpret what was meant by the name if it is mistranslated or transposed. Egypt suggested the Interpol list is much more thorough than the 1267 Consolidated List.

¶16. (C) Regarding Egyptian 1267 submissions currently on hold by the U.S., both Egypt and the USG agreed to look for additional information regarding the proposed designees, with the issue to be addressed at the bilateral counter-terrorism meetings scheduled for early 2009. In the event the USG is unable to support the names, Egypt suggested that blocking the names would be preferable to continuing the holds indefinitely. When pressed on this point, the Egyptians suggested that the matter be re-examined if and when such a conclusion is reached, noting that "rejection is best handled gently."

¶17. (C) Egypt raised the issue of NGO's operating in Egypt and stated that some countries (or people in other countries) give money to support causes that go to Egyptian NGO's. Egypt has strict rules and is being criticized by human rights groups for its regulations, while Egyptian NGO's receive funding from abroad and provide financial support to Egyptian prisoners. (Comment. It was difficult to discern whether this was a complaint against human rights groups' outspokenness against Egypt, or if the point was that U.S. entities give money to causes that support NGO's in Egypt that have connections to terrorist activities and would be relevant to actions under UNSCR 1267. End Comment.)

¶18. (C) Overall, the GOL officials expressed enthusiasm about the GOL's renewed diplomatic ties with the USG, and they found the regional forum useful to discuss UNSC 1267 issues and expressed interest in pursuing this dialogue with the USG and North African governments. Although informed about some details regarding OFAC Director Adam Szubin's November 2008 trip to Tripoli, the GOL officials did not provide any concrete updates to the items that Szubin had raised. In particular, the U.S. delegation was hoping to find out if the GOL would be willing to withdraw its 2005 submission of 74 names to the UNSC 1267 Committee and if it would be able to provide additional evidence on the remaining six names the USG has on hold at the 1267 Committee, out of its original, separate submissions of 12 names also from 2005. The GOL officials agreed to follow up on these requests with their counterparts in Tripoli.

¶19. (C/NOFORN) Ori Lev passed the GOL officials a list of three USG-vetted, potential Libyan Islamic Fighting Group targets that had been passed to the GOL in November (Abu Yahya al-Libi, Abdallah SaQid, and Atiyah Abd al-Rahman) that either the GOL could submit for designation at the 1267 Committee or that the GOL and USG could jointly submit to the Committee. The GOL officials agreed to take the three names back to Tripoli for consideration. (Note: Treasury and State will follow up with the Libyan Embassy in Washington, the Libyan Permanent Delegation to the UN in New York and though Embassy Tripoli to get responses from the GOL about withdrawing the 74 names and the possibility of providing additional evidence for the remaining six names and whether or not it is willing to jointly or solely submit the three new targets to the UNSC 1267 Committee. End Note.)

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Items for Follow-Up  
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¶20. (U) State will follow up with the Government of Morocco to encourage the GOM to withdraw its 2005 submission of 32 names for listing under UNSCR 1267. The GOM had earlier

indicated to Treasury officials that the names were no longer a priority for the GOM. State will also work with USUN to try to resolve the problem raised by several



delegations regarding erroneous transliteration into Arabic of names on the UN 1267 Consolidated List. Our interagency sub-CSG on terrorism finance issues will also need to discuss several of the larger strategic issues raised by delegations regarding the UN 1267 regime, including the complaint that the regime has gone adrift and needs more clear direction (and to communicate that purpose to UN Member States), as well as issues concerning delistings and whether to remove entries that lack sufficient identifiers.

¶21. (U) In response to Morocco's request for information on technical assistance during the bilateral meeting, OTA responded with a letter on February 3 to be delivered by Embassy Rabat detailing the assistance available and the process for making an assistance request.

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Participants  
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¶22. (U) The USG delegation was led by Ori Lev, Senior Advisor to the Director of the Office of Foreign Assets Control (OFAC). USG participants and presenters included the U.S. Treasury Department's Offices of Technical Assistance (OTA), Foreign Assets Control (OFAC), OFAC Office of General Counsel, Terrorist Financing and Financial Crimes (TFFC) and Intelligence and Analysis (OIA); State Department's Bureaus of International Organization Affairs' Office of Peacekeeping, Sanctions and Counterterrorism (IO/PSC) and Economic and Business Affairs Office of Terrorism Finance and Economic Sanctions Policy (EEB/TFS); U.S. Embassy Rabat; Department of Justice's Office of Overseas Prosecutorial Development, Assistance and Training; and U.S. AFRICOM.

¶23. (U) Participants from Morocco, Libya, Egypt, and Algeria are as follows :

Morocco  
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- Mohammed Hamsy, Ministry of Foreign Affairs
- Youssef Bourita, Advisor to Secretary General
- Driss Benfares, Director of Legal Affairs
- Lahbib El Idrissi Lalami, Deputy Director of Treasury and External Finance
- Abdelaziz Khaoua, Head of Credit Establishment Division
- Brahim Messaoudi, Sr. Exec Offshor Banking Service
- Azelarab Kettani, Deputy Director Legal Affairs
- Abderrafie Tadlaoui, Credit Establishment Department
- Mohamed Dahbi, Ministry of Justice
- Abdessalam Bouhouch, Ministry of Justice
- Jamal El Hadari, Ministry of Interior
- Driss Bruladja, Ministry of Finance
- Youseef Medoudaa Q Ministry of Finance
- Hicham El Haoudi, Anti-Money Laundering Service
- Mohamed Dahbi, Ministry of Justice

Libya  
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- Al Bouishi Matug Ellafi, General Director of Taxation Department
- Miftah Mohamed Bousitta Q National Security Council
- Misbah Ali Hdud Q External Security Organization

Egypt  
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- Ashraf Mohsen, Deputy Assistant Minister of Foreign Affairs for Counter Terrorism
- Hisham Abda, Brigadier General, State Security
- Yasser Mohamed Sayeed Abdul Aziz, Money Laundering Combating Unit

Algeria  
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- Mustapha Ait Abbas, Embassy of Algeria in Rabat

This cable was drafted and cleared by the State  
Department's IO/PSC and EEB/TFS and the U.S. Treasury  
Department's OFAC, OTA, TFFC and OIA.

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Jackson